

[10th December 1952]

## APPENDIX.

[Vide item IV on page 505 supra.]

REPORT OF THE SELECT COMMITTEE ON THE  
MADRAS LAND REVENUE (SURCHARGE) BILL,  
1952 (L.A. BILL No. 6 OF 1952).

Under rule 92 of the Madras Assembly Rules, the report of the Select Committee appointed to consider the Madras Land Revenue (Surcharge) Bill, 1952 (L.A. Bill No. 6 of 1952), with the Bill as amended by the Select Committee, is hereby published :—

To

THE HONOURABLE THE LEGISLATIVE ASSEMBLY,  
MADRAS.

The Select Committee appointed to consider the Madras Land Revenue (Surcharge) Bill, 1952 (L.A. Bill No. 6 of 1952), has the honour to make the following report.

2. The Bill was published in the *Fort St. George Gazette* in English on the 30th June 1952.

3. The Committee was appointed on the 31st July 1952.

4. The Committee invited memoranda on the provisions of the Bill, and in pursuance of such invitation, received several memoranda.

5. The Committee met in the Committee Room at Fort St. George on the 19th August, 21st August, 25th August, 9th September, 10th September, 9th October and 10th October 1952, either for the examination of the memoranda received or the consideration of the provisions of the Bill.

6. The Bill is intended not only to bring in additional revenue to Government, but to some extent to graduate the burden of land revenue according to the size of the individual holdings and make persons with larger holdings pay a higher rate of assessment than those with smaller holdings. Several members of the Committee, however, opposed the measure from the commencement on the ground that the proper method of bringing about an equitable distribution of the burden of land revenue was by means of an agricultural income-tax and not by a graduated surcharge on land revenue and on the ground that a distinction should be made between the deltaic tracts and non-deltaic tracts and between dry lands on which commercial crops were raised and those on which non-commercial crops were raised. The majority of the Committee, however, did not agree with these contentions and were of opinion that the provisions of the Bill, as amended by the Committee, fully achieved the subjects which the Bill had in view.

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7. The strong opposition to the Bill within the Select Committee has, however, led the Committee to subject the provisions of the Bill to a very careful scrutiny and has resulted in several changes being made in the Bill. The more important changes are mentioned below :—

*Clause 2.*

*Definition of land revenue.*—According to this definition, 'land revenue' includes water-cess. As, however, water-cess varied in different localities and was already high in some districts, it was considered that a ceiling should be put upon the amount of water-cess which should be included in 'land revenue' for the purpose of this Bill. It was, accordingly, decided by the Committee that the maximum of water-cess that should be included in the term 'land revenue' should not exceed Rs. 8 per acre.

'Registered holder'.—This definition has been simplified and made clearer than before. As drafted by the Select Committee it includes not only the person who is registered in the revenue accounts as the person liable to pay land revenue to Government, but also every person who is in actual occupation or enjoyment of the land and who is liable to pay the land revenue to Government.

*Clause 3.*

The Committee approves of the limit of exemption from the surcharge, and of the two higher slabs and the rates therefor, provided for in the Bill. With a view to bring about a better graduation of the burden of the surcharge under the Bill as introduced, it has made some changes in the intermediate slabs and rates with the result that the slabs and rates as amended stand as follows :—

| <i>Amount of land revenue.</i>                              | <i>Rate of surcharge.</i>        |
|-------------------------------------------------------------|----------------------------------|
| (a) On the first Rs. 50 of the land revenue payable.        | Nil.                             |
| (b) On the next Rs. 50 of the land revenue payable.         | <u>Two annas on each rupee.</u>  |
| (c) On the next Rs. 100 of the land revenue payable.        | <u>Four annas on each rupee.</u> |
| (d) On the next <u>Rs. 300</u> of the land revenue payable. | Eight annas on each rupee.       |
| (e) On the next Rs. 500 of the land revenue payable.        | Twelve annas on each rupee.      |
| (f) On the balance of the land revenue payable.             | Sixteen annas on each rupee.     |

In sub-clause (3) of clause 3, the Committee has omitted the provision which required the lapse of three years from the date of a partition or alienation for claiming a reduction in the rate of surcharge and has provided that the reduced rate can be claimed after the lapse of the fasli year in which the partition or alienation took place.

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To provide for cases where one and the same person might be holding property in different capacities, and to ensure that in such cases, all the properties held by such a person should not be clubbed together for the purposes of fixing the rates, the Committee has introduced a provision to the following effect, viz. :—

“ Where lands belonging to, or given or endowed for the support of, distinct religious or charitable institutions including maths, are held by the same trustee, manager, or other person, the Collector of the district in which any such lands are situated, shall, on receipt of an application from such person (which shall be in the prescribed form and contain the prescribed particulars), cause the lands to be registered separately in the name of each institution; and each such institution shall be treated as a separate unit for the purposes of the levy of a surcharge under this section, and all the lands belonging to it, or given or endowed for its support throughout the State shall be aggregated accordingly, whether the trustees, managers, or persons holding the lands are the same or different persons.”

The Committee has also provided that when a remission of land revenue has been granted by Government, the actual kist payable to Government by a holder shall be treated as ‘ land revenue payable ’ for the purposes of this Act.

The question of applying the provisions of the Bill to the peculiar conditions of Malabar and South Kanara presented some difficulty. After careful consideration, the Committee resolved that the following provisions should apply to the levy of surcharge in areas to which the Malabar Tenancy Act applies :—

“ 3-A. *Levy of surcharge in areas to which the Malabar Tenancy Act, 1929, extends.*—The following provisions shall apply to the levy of surcharge under section 3 in areas to which the Malabar Tenancy Act, 1929 (Madras Act XIV of 1930) (hereinafter in this section referred to as the aforesaid Act), extends :—

(i) The janmi shall be liable to pay the surcharge if he occupies or cultivates the land himself or has let it to a person from whom he receives or is entitled to receive fair rent as defined in the aforesaid Act.

(ii) The kanamdar, kuzhikkanamdar or customary verumpattamdar shall be liable to pay the surcharge, if he occupies or cultivates the land himself or has let it to a person from whom he receives or is entitled to receive fair rent as defined in the aforesaid Act.

(iii) For the purpose of determining the rate or rates at which surcharge may be levied under section 3, the land revenue payable on all the lands in the areas to which the aforesaid Act extends for which any person is liable to pay

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the surcharge under clauses (i) and (ii), and the land revenue payable by him on all lands in other areas in the State of Madras shall be aggregated.

*Explanation.*—The liability of the cultivating tenant to pay one-half of the annual assessment under section 6 (b) of the aforesaid Act, shall not be deemed to include the liability to pay any share of the surcharge :

Provided that no person shall have a right by virtue of any contract with a tenant under him to recover from such tenant any such contribution towards the surcharge payable by him under this Act."

As regards the South Kanara district, the following provisions have been inserted in the Bill by the Committee :—

*" Levy of surcharge in the South Kanara district.*—In the district of South Kanara, in cases to which the provisions of clauses (i) and (ii) of section 4 are not applicable, the following provisions shall apply :—

(i) No surcharge shall be leviable on uncultivated punja lands;

(ii) Where any lands including occupied punja lands are in the possession of a walawargadar, kayamgenidar, permanent tenant, or usufructuary mortgagee, he shall be liable to pay the surcharge on the land revenue payable in respect of the lands occupied by him."

All these provisions are intended to make the actual person who gets the benefit out of the land liable for the payment of the surcharge and to protect the cultivator to the maximum extent possible, consistent with equity.

#### *Clause 7 (New Clause 8).*

Sub-clause (3) of this clause had provided that Government might provide by rule that a person guilty of a breach thereof should be punished with fine which might extend to Rs. 1,000. The Committee considers that it should not be left to the executive Government to make rules creating offences and punishments and has, therefore, provided in the Bill itself that only the submission of a false return should be an offence under the Act.

The Committee also considers that the rules made by the Government under this Act should be placed on the table of the Assembly and liable to be changed by a resolution of the Assembly passed during the session in which they have been so laid upon the table.

8. These are the more important changes made by the Committee. The other changes made by the Committee are all shown in the Bill, as amended, which is appended to this report.

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9. Sri T. Viswanatham and eight others have given a dissenting minute. Sri G. Latchanna, Mr. Kanaran and Mr. M. Narayana Kurup have also given dissenting minutes. They are all appended to this report.

10. The Committee considers that the changes made by it in the Bill are so important that the Bill should be republished.

FORT ST. GEORGE, M. A. MANICKAVELU NAICKER,  
10th October 1952. Chairman.

## DISSENTING MINUTES.

### APPENDIX.

#### I

At the time the taxation Bills were introduced in the Assembly we made it clear that, at the present time, when economic conditions were not at all favourable, when the people were distressed and disgusted with acute shortage of food, clothing and shelter and when agriculture was carried mostly under conditions of loss, excepting in the case of a few large pattadars, any general increase of taxes on land or imposition of fresh taxes was uncalled for.

2. We pointed out that the gap between the revenue and expenditure shown in the budget is not really a big gap or unbridgeable justifying new taxation. Compared with March budget, the June budget presented by the Government showed less of revenue in many items, e.g., while collections from sales tax showed always an increase over the budgeted figure, the June Budget Estimate of revenue as compared with the Budget Estimate of March showed an under-estimate of about a crore and a half. The difference was explained by a bald statement that the Government foresaw less. What was the great difference in Indian or World conditions between March and June, one is not able to understand.

It was our view that if the Government (1) took care to tighten the collections machinery of the Sales Tax Department and purge it of its soft elements, (2) increased persons having accounting knowledge and experience in the personnel of that department and (3) followed up the decisions of the Full Bench of the Madras High Court interpreting the term 'Commission Agent' in the Sales Tax Act and collect sales tax from persons who, according to that definition and decision, are not commission agents, the Government would be able to collect five or six crores of extra sales tax.

3. We also said that although an attempt was made in 1927-28 to make an enquiry into the taxation structure and incidence of the burden of tax, the Government have not, thereafter seriously applied their mind to develop an organic taxation structure based on scientific lines. But at least now, after the first general elections were over on the basis of adult franchise after the attainment of Independence, it would be proper for the

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Government to appoint a Taxation Enquiry Committee to go into the matter and report on a taxation structure better than the one now in force which is admittedly pressing too heavily precisely upon the sections of population who are not able to bear it. And without any such report before us, it would be haphazard and lopsided to levy new taxes on land or increase the existing ones at this stage or impose betterment levies with an extraordinary retrospective effect going as far back as 1943.

4. Of all tax burdens the worst is the burden of the land tax. From time to time, competent observers pointed out that the incidence of the ryotwari tax is much more than half the net income of the farmer which is the rate claimed to be in force under the ryotwari system. The chief defect of the assessment is that it did not give sufficient margin for the varying and rising cost of cultivation and the cost of labour put in by the family. While, therefore, the people have been pressing to reduce the land tax, particularly on the smaller units, it would be preposterous to come forward with surcharge on the existing rates.

It is true that about some three or four thousand pattadars are thriving but a general tax on nearly three lakhs of pattadars is not the best way to get more out of the few. Agricultural income-tax at steep rates on higher incomes can be imposed on them. But the present surcharge cannot set right the inequalities of the incidence of land tax. Nor can it act as incentive to increase food production.

Then we pressed on the Government to appoint a retrenchment committee with the representatives of various parties to see the possibilities of reducing expenditure before resorting to new taxes. But the Government would not agree.

5. These propositions were restated by us before this Committee. We asked whether after the objections raised by us, the Government

(a) called for a report from the Board of Revenue as regards the probable income from the sales-tax and other revenues in the light of criticisms made on the floor of the House; and

(b) whether the Government made any attempt to look into the possibilities of reducing the expenditure.

6. The Government said that they did not call for such report as they felt sure that their previous conclusions that new taxes were necessary were unalterable. They depended on the fact that revenue figures under every head showed a decrease between April and June; without realising, that a general decrease under all heads in the first month of the year was no reason for permanent increase of taxes or impositions of new ones. Then we also asked whether the Government had before them or called for any reports on the cost of living index of the agriculturists of the State and sample family budgets of purely agricultural families. In this regard also there was no information nor had we figures separately for dry and wet assessments in the State.

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7. Index figures for price of cereals sold by the producer is 218 or near about it, whereas the index figures for the cost of living is varying round about 450 and it is simply absurd to impose extra taxes on agriculturists under these conditions.

8. In the second sitting of the Committee, the Government were pleased to give us a small statement showing the gross income and the cost of living of agriculturists having land below  $6\frac{1}{2}$  acres. A perusal of that statement appended hereto will show that except in the case of sugarcane, the cost of living of a family is much more than the gross income which they realise if they sowed cereals, e.g., the gross income from a farm in East Godavari, measuring  $6\frac{1}{2}$  acres, is Rs. 621; while the cost of living for the family is Rs. 1,242. The same is the case in other districts as may be seen in the statement. Even the income from sugarcane cultivation could not be said to amount to a living wage or return for the family. The statement did not include in the cost of living the expenses incurred for cultivation. Nor is it known whether debit was given to expenses in connexion with education of children or for petty medical treatment. The statement itself is a condemnation of any proposal for surcharge on land revenue at this stage or for the imposition of any extra burden on land to-day.

9. We also sympathised with and pleaded for the view put forward by Sri B. Bhakthavatsalu Naidu and Sri G. Latchanna that if the Government were determined to impose surcharges the lands in the non-deltaic areas at least should be exempted. The Government would not agree even to this.

10. Then we tried to raise the exemption limit to Rs. 500 or Rs. 250 or Rs. 150, the two last being the limits recommended by Raghavendra Rao Report and the Land Reforms Committee. Here, too, the Government depended on the vote they could command that day and not on reason and out-voted us at every stage.

11. On some other matters before the vote on the surcharge was taken, we did help to improve the Bill in some directions, particularly in the matter of limiting the amount of water-cess to be included in the land revenue for surcharge purposes. The Government wanted the whole of the water-cess to be treated as land revenue. We pleaded that the standard rate for water-cess being four rupees, any sum exceeding it should not be added to the assessment in dry areas for calculating surcharges. But we did not succeed; we had to agree to Rs. 8 as a compromise. That is something.

12. We also generally agree with the contentions raised by Sri G. Latchanna in the minute of dissent which we had the advantage of seeing.

13. All through the State, there was a storm of protest raised when these new taxation Bills were published. The press was also more or less unanimous against them. Almost all public bodies and agriculturist organizations have condemned them. Almost all the memoranda received by the Committee were against the Bill. The Government would like to satisfy themselves simply by saying that taxes would always be opposed. But that is the language of an autocrat.

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14. It must be seen also that the Bill was passed by the Committee by a bare majority of 11 to 9 and that, in view of the importance and its wide range effects, this majority cannot be taken as an index of the acceptability of the measure,

15. Disagreeing with the majority, we are, therefore, unanimously of opinion that the Bill, even with its amended provisions, is bad in principle, harsh in its incidence, destructive of incentives to production and, particularly, illtimed in view of the famine staring at us in all the dry areas of the State from north to south and from east to west.

16. Our report to the Assembly should be and is that the Bill need not be proceeded with further.

T. VISWANATHAM.  
K. ARANGANATHAN.  
M. NARAYANA KURUP.  
S. SWAYAMPRAKASAM.  
C. RAMALINGAI AH.  
S. S. KOLKEBAIL.  
C. H. KANARAN.  
G. C. KONDIAH.  
S. C. C. ANTHONY PILLAI.

9th October 1952.

*Statement showing the income and cost of living for persons paying Rs. 50 assessment.*

| District.        | Holding |       | Income derived if cultivated with |         |            | Estimated cost of living. |
|------------------|---------|-------|-----------------------------------|---------|------------|---------------------------|
|                  | Wet.    | Dry.  | Paddy.                            | Cholam. | Sugarcane. |                           |
| Tanjore ..       | 6.6     | 29.27 | 983                               | 322     | 2,544      | 1,095                     |
| Tirunelveli ..   | 6.82    | 95.23 | 602                               | ..      | ..         | 1,132                     |
| Coimbatore ..    | 7.25    | 51.00 | 803                               | ..      | 1,744      | 1,308                     |
| Bellary ..       | 7.54    | 64.00 | 1,237                             | 1,423   | 1,842      | 1,059                     |
| East Godavari .. | 6.29    | 23.90 | 821                               | 1,207   | ..         | 1,242                     |

T. VISWANATHAM.

10th October 1952.

## II

*Bill unjustifiable.*—The Bill cannot be justified on grounds mentioned in the Statement of Objects and Reasons. The reasons alleged are (1) that it is in the nature of an agricultural income-tax and (2) exigencies of State's finances. It is a fallacy to assume that the assessment which one pays is an indicia of the income derived by him. The Subramaniam Committee has ruled out any case for surcharge based on exigencies of State's finances which would mean only arbitrary levy of tax. The Subramaniam Committee has also emphasized in more places than one that surcharge, if any, should only be temporary measure, pending introduction of agricultural income-tax, and

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that surcharge should be levied only on standardized assessment. Both these fundamental principles are ignored by the present legislation.

*Malabar to be excluded.*—The conditions of Malabar are totally different from those obtaining in other parts of the State due to the existence of a chain of intermediaries who have interests in land. So, unless the incidence of surcharge could be distributed on the various classes in proportion to their interests, it would be unjust and inequitable. The present provisions relating to Malabar are unsatisfactory, inasmuch as they have only helped to give relief to big jenmis and impose additional burden on petty middle classes and tenants who are already groaning under unbearable weight. The provisions are likely to lead to complications in their actual working. Malabar is one of the districts whose assessment was increased by 3 annas in the rupee at the time of resettlement. The surcharge in Malabar ought to have been less by 3 annas in the rupee in any event.

*Rate of surcharge.*—The exemption limit of Rs. 50 is too low. No higher limit is provided for joint families which is a real injustice. Rate of surcharge for each slab is too steep and heavy.

M. NARAYANA KURUP.

10th October 1952.

### III

The provisions of clause 3 (A) of the Madras Land Revenue Surcharge Bill, far from helping the agrarian situation in Malabar, is a heavy blow on the kisans. Agrarian conditions in Malabar as well as the land tenure system there, are very much different from those existing in other parts of the State, and it has been usual to have a separate law relating to land for Malabar alone. The present Bill whether with clause 3 (A) or without clause 3 (A), if made applicable to Malabar also, will be a direct challenge to kisans in Malabar, who have been struggling for the reduction of the burdens imposed on them by their landlords.

The land tenure system in Malabar district is well known to be very complex, since there are a number of intermediaries. The tenants in Malabar are not the same as in other parts of the State. If the intention of the Bill is in fact to see that the Revenue Surcharge is to be borne only by the landlord, who collects not a nominal rent but high rent, or by a big kanamdars without his transferring the burden to the cultivator, clause 3 (A) will not certainly achieve that object.

The difficulty in Malabar is most of the jenmis are big landlords, and they collect enormous amounts of rent. But there are a few big jenmis in Malabar, who have given land to big kanamdars at a rent sometimes at or around the land revenue assessment. Actually that means, it is kanamdars, who is really the person who benefits from the land and the jenmi will not and cannot afford to pay the Revenue Surcharge, which is now sought to be levied by the Bill. In the same way, there

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are two types of kanamdars. The first type is the big type mentioned above. There is another type of kanamdar, who has been virtually the ordinary tenant with some nominal kanam amount of a rupee or a few rupees. This would mean that a kanamdar of this type also will have to pay the surcharge under clause 3 (A) (ii). Thus it will be seen that clause 3 (A) in its application will work quite a lot of injustice in view of the complexity in the land tenure system in Malabar and that it is impossible to suggest amendments in this Bill to clause 3 (A) by which it will be possible to levy the surcharge on the real landlord or the real kanamdar.

Further, clause 3 (A) (ii) makes the kanamdar, kuzhikanamdar or the customary verumpattamdar liable to the surcharge. Just as there are different types of kanamdars, there are also different types of kuzhikanamdars and customary verumpattamdars and unless clause 3 (A) (ii) distinguishes between the different types among them, the surcharge will not be levied equitably and the intention of the Bill will not be carried into effect. The whole difficulty is that unless, the land tenure system is drastically changed about which a lot of agitation is going on and as a result of which operation of the amended Malabar Tenancy Act has been suspended, the question of levy of surcharge will further complicate the issue and aggravate the situation. Just as the operation of the Malabar Tenancy Act has been suspended, I feel that it is desirable that till the Malabar Tenancy Problem is itself solved, to say the least, it is highly undesirable at this stage to levy any surcharge on lands in Malabar and my suggestion is that in view of the special conditions existing in Malabar district the Bill should not be made applicable to lands in Malabar.

In Malabar, there is considerable scarcity of land and the ordinary extent of the holding, enjoyed by a family, is far smaller than the average holding in other districts in the whole State. Thus, the burden of the land becomes heavy and the landlord exploits the situation of scarcity of lands in Malabar and tries to extract as much rent as possible. This fundamental situation makes it necessary that extreme caution should be exercised in taxing already the overburdened peasant and see that the tax is equitably levied.

Lastly, there is no justification for demanding a surcharge from the peasantry in Malabar, especially because at the time of the re-settlement of revenue, the revenue for the Malabar lands was fixed at the highest. This increase in the land revenue has been effected at the time of re-settlement. Further, it being the practice in Malabar to make the tenant liable to pay the entire land revenue or any increase in land revenue, it becomes all the more onerous on the tenant, if, by reason of that, he is made to pay the surcharge also.

Thus, in conclusion, I submit that whatever may be the appropriateness of the measure aimed against the landlord, it is impracticable, unacceptable and dangerous from the point of view of the peasants in Malabar.

10th October 1952.

C. H. KANARAN.

[10th December 1952]

## IV

I write this to record my minute of dissent against the conclusions of the Select Committee.

I may recall your attention to the fact that when the proposed Bill was moved in the Assembly and was referred to the Select Committee, we made it clear on the very floor of the House that the Krishikar Lok Party is opposed on principle to the proposed levy of surcharge on land revenue. It is with the hope that the pros and cons of the proposals would be fairly and frankly discussed by the Select Committee that I accepted to serve on the Committee.

Now, so far as the meetings of the Select Committee are concerned, I am sorry to find from the way in which the deliberations are conducted that there is no scope for fair and frank discussion. Basing on the working majority, the Congress members of the Select Committee are keenly interested in getting the Bill passed, as it is, without considering the consequences. All the amendments are put to vote and declared lost without giving due consideration. Another distressing matter is that even the memorandum sent by Sri O. P. Ramaswamy Reddiar, the Ex-Chief Minister, one of the tried and veteran Congress Leaders of the South and an experienced savant in matters relating to agricultural industry, was also set aside and was not taken up for discussion at all without bestowing least consideration.

Under the circumstances, I was constrained to walk out from the meeting held on 10th September 1952 with all faith that I could not do justice to my electorate, in particular, and to the peasantry, in general, if I had acted otherwise.

I oppose the conclusions of the Select Committee *in toto* and request you to please record my minute of dissent and to inform the same to other members as well. Kindly acknowledge the receipt.

12th September 1952.

G. LATCHANNA.

## ANNEXURE.

(Words sidelined or underlined indicate the amendments suggested by the Committee; dots indicate the Omissions.)

L.A. BILL No. 6 OF 1952.

(As amended by the Select Committee.)

*A Bill to provide for the levy of a surcharge on land revenue assessments . . . in the State of Madras in certain cases.*

WHEREAS it is expedient to provide for the levy of a surcharge on land revenue assessments . . . in the State of Madras in certain cases; It is hereby enacted as follows :—

1. *Short title, extent and commencement.*—(1) This Act may be called the Madras Land Revenue (Surcharge) Act, 1952.

(2) It extends to the whole of the State of Madras.

(3) It shall come into force at once.

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2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(1) 'Government' means the State Government;

(2) 'land revenue'—

(a) in the case of an estate notified under the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948), means the land revenue payable under section 23 of that Act, and

(b) in every case including the case aforesaid, in relation to any fasli year, includes the water-cess, if any, charged for the irrigation of the land in respect of the fasli year immediately preceding, up to a limit of Rs. 8 per acre, but does not include any other cesses payable in respect of the land;

(3) 'registered holder', in relation to any land, means the person who is registered in the revenue accounts of the Government as the person who should pay the land revenue in respect thereof to the Government, whether as a sole or as a joint pattadar . . . ; and includes every person who is in actual occupation or enjoyment of the land, and who is liable to pay the land revenue in respect thereof, although he is not registered as aforesaid.

*Explanation.*—In this clause, 'person' includes a Hindu undivided family, a Marumakattayam tarwad or tavazhi, an Aliyasantana kutumba or kavaru, a Nambudiri illom, a firm, a company, an association of individuals, whether incorporated or not, and any institution capable of holding property.

3 *Levy of surcharge.*—(1) There shall be levied by the Government from every registered holder, for the fasli year commencing on the 1st day of July 1952, and for each subsequent fasli year, a surcharge at the rate or rates specified below, on the amount of land revenue payable by such holder for that year in respect of all the lands held by the holder in the State of Madras, after deducting from that amount any remissions of land revenue granted by the Government :—

| <i>Amount of land revenue.</i>                              | <i>Rate of surcharge.</i>        |
|-------------------------------------------------------------|----------------------------------|
| (a) On the first Rs. 50 of the land revenue payable.        | Nil.                             |
| (b) On the next Rs. 50 of the land revenue payable.         | <u>Two annas on each rupee.</u>  |
| (c) <u>On the next Rs. 100 of the land revenue payable.</u> | <u>Four annas on each rupee.</u> |
| (d) On the next <u>Rs. 300</u> of the land revenue payable. | Eight annas on each rupee.       |
| (e) On the next Rs. 500 of the land revenue payable.        | Twelve annas on each rupee.      |
| (f) On the balance of the land revenue payable.             | Sixteen annas on each rupee.     |

(2) Where by reason of the alienation of any lands to any person, such person becomes liable to pay surcharge at a rate or rates which are higher than the rate or rates to which the lands were subject before such alienation, the lands and the registered holder thereof shall be liable for the surcharge at such higher rate or rates for and from the fasli year in which the alienation took place.

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(3) The rate or rates at which surcharge may be levied under this Act in respect of the lands held by a registered holder shall not be diminished by reason of any partition or alienation of the lands or any part thereof which may take place on or after the 1st July 1952, until the expiry of . . . the fasli year in which the partition or alienation takes place; and the surcharge which would have been leviable in respect of the lands originally held by the registered holder but for such partition or alienation shall continue to be leviable in respect thereof until the expiry of the fasli year aforesaid; and the lands and every part thereof shall be regarded as the security for the entire surcharge leviable as aforesaid on all the lands.

(4) Where lands belonging to, or given or endowed for the support of, distinct religious or charitable institutions including maths, are held by the same trustee, manager, or other person, the Collector of the district in which any such lands are situated, shall, on receipt of an application from such person (which shall be in the prescribed form and contain the prescribed particulars), cause the lands to be registered separately in the name of each institution; and each such institution shall be treated as a separate unit for the purposes of the levy of a surcharge under this section, and all the lands belonging to it, or given or endowed for its support throughout the State shall be aggregated accordingly, whether the trustees, managers, or persons holding the lands are the same or different persons.

**4. Levy of surcharge in areas to which the Malabar Tenancy Act, 1929, extends.**—The following provisions shall apply to the levy of surcharge under section 3 in areas to which the Malabar Tenancy Act, 1929 (Madras Act XIV of 1930) (hereinafter in this section referred to as the aforesaid Act), extends:—

(i) The janmi shall be liable to pay the surcharge if he occupies or cultivates the land himself or has let it to a person from whom he receives or is entitled to receive fair rent as defined in the aforesaid Act.

(ii) The kanamdar, kuzhikanamdar or customary verumpattamdar shall be liable to pay the surcharge, if he occupies or cultivates the land himself or has let it to a person from whom he receives or is entitled to receive fair rent as defined in the aforesaid Act.

(iii) No person who is liable to pay the surcharge under clause (i) or clause (ii) shall, by reason of any contract with his tenant, be entitled to recover the whole or any portion of the surcharge from such tenant.

*Explanation.*—The liability of the cultivating tenant to pay one-half of the annual assessment under section 6 (b) of the aforesaid Act, shall not be deemed to include the liability to pay any share of the surcharge.

**5. Levy of surcharge in the South Kanara district.**—In the district of South Kanara, in cases to which the provisions of clauses (i) and (ii) of section 4 are not applicable, the following provisions shall apply:—

(i) No surcharge shall be leviable in respect of uncultivated punja lands;

(ii) Where any lands including cultivated punja lands are in the possession of a walawargadar, kayamgenidar, permanent tenant, or usufructuary mortgagee, he shall be liable to pay the surcharge in respect of those lands;

(iii) In other cases, the registered holder shall be liable to pay the surcharge.

(iv) No person who is liable to pay the surcharge under clause (ii) or clause (iii) shall, by reason of any contract with his tenant, be entitled to recover the whole or any portion of the surcharge from such tenant.

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**6. Aggregation for purposes of levying the surcharge.**—The rate or rates at which surcharge may be levied under section 3, shall be determined with reference to the aggregate of the land revenue payable by any person—

(a) on all lands in the areas to which the Malabar Tenancy Act, 1929, extends, for which he is liable to pay the surcharge under clauses (i) and (ii) of section 4,

(b) on all lands in the South Kanara district, for which he is liable to pay the surcharge under clauses (ii) and (iii) of section 5, and

(c) on all other lands in the State of Madras of which he is the registered holder.

**7. (1) Power to call for declaration and to levy penal surcharge.**—Any officer empowered by the Government or by any authority or officer authorized by them in this behalf may by notice in writing require any registered holder to submit a declaration in writing in such form and within such time as may be specified in the notice in regard to the total extent of the lands held by the holder in the State and the land revenue payable in respect thereof.

(2) If any registered holder wilfully submits a false declaration, or without reasonable excuse, the burden of proving which shall be upon him, fails to submit a declaration in the form or within the time specified in the notice under sub-section (1), the Government may levy a special penal surcharge not exceeding the total surcharge leviable in respect of all his lands.

**8. Power to make rules.**—(1) The Government may, by notification in the *Fort St. George Gazette*, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may make provision for—

(a) the submission of returns,

(b) the production of documents,

(c) the holding of inquiries and the enforcement of the attendance of persons at such inquiries and their examination on oath or affirmation.

(3) When any rule made under this section has provided for the submission of any return, any person who wilfully submits a false return shall be punishable with fine which may extend to five hundred rupees.

(4) When any rules have been made for the purposes specified in clauses (b) and (c) of sub-section (2), the provisions of the Code of Civil Procedure, 1908 (Central Act V of 1908), shall, so far as may be, apply in regard to the issue and service of summonses, the examination of witnesses, the production of documents and the like.

(5) All rules made under this section shall be published in the *Fort St. George Gazette*, and upon such publication shall have effect as if enacted in this Act.

(6) All rules made under this section shall be laid for not less than fourteen days before the Legislative Assembly of the State, as soon as possible after they are made, and shall be subject to such modifications, whether by way of repeal or amendment, as that Assembly may make during the session in which they are so laid.

FORT ST. GEORGE,  
11th October 1952.

R. V. KRISHNA AYYAR,  
Secretary to the State Legislature.